

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State of Michigan

POLICY AND METHODS FOR ESTABLISHING PAYMENT RATES
(OTHER THAN INPATIENT HOSPITAL AND LONG TERM CARE FACILITIES)

LEELANAU COUNTY OBSTETRICAL ACCESS DATA

The raw data shows more obstetrical care providers available to the general population than to the Medicaid eligible population.

Leelanau's Medicaid eligibles have access to obstetrical care which is equal to if not better than that of the general population.

- A. Leelanau is a small rural county located along the western lakeshore in Michigan's northern lower peninsula. Leelanau's total population is 16,527. Of that 16,527; 8,291 (50.2%) are female and 2,526 (15.3%) are females of childbearing age. Only 1,704 (10.3%) of the general population are Medicaid eligible. Only 474 (2.9%) of the total population or 18.8% of the women of childbearing age are Medicaid eligible. The current survey shows three participating Blue Cross and Blue Shield providers of obstetrical care vs two participating Medicaid providers. That is 2,526 minus 474 or 2,052 non-Medicaid eligible females of childbearing age to 3 non-Medicaid obstetrical care providers versus 474 Medicaid eligible females of childbearing age to 2 Medicaid obstetrical care providers [2,052 to 3 vs 474 to 2].
- B. The two immediately adjoining counties have more Medicaid participating obstetrical providers than non-Medicaid obstetrical care providers: Grand Traverse 36 vs 20 and Benzie 2 vs 1.
- C. As of December 1995, 66.0% of the eligible Medicaid recipients in Leelanau County were enrolled in Managed Care.

Therefore, the Medicaid eligibles in Leelanau County have access to obstetrical care equal to if not better than that of the general population.

TN No. 76-04 Approval Date APR 10 1996 Effective Date 07-01-96

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TN No. 94-03

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
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ANTRIM COUNTY PEDIATRIC ACCESS DATA

The raw data shows more pediatric care providers available to the general population than to that of the Medicaid eligible population.

Antrim's Medicaid eligibles have access to pediatric care that is equal to if not better than that of the general population.

- A. Antrim is a small rural county located in Michigan's northern lower peninsula. Antrim's total population is 18,185. Of that 18,185, 5,083 (27.95%) are children. 1,141 (6.3%) are Medicaid eligible children. That is 5,083 minus 1,141 or 3,942 non-Medicaid eligible children to 10 non-Medicaid pediatric care providers vs 1,141 Medicaid eligible children to 7 Medicaid participating pediatric care providers. [3,942 to 10 vs 1,141 to 7]
- B. The six adjoining counties have more participating Medicaid pediatric care providers than non-Medicaid pediatric care providers: Charlevoix 23 vs 13; Crawford 38 vs 4; Grand Traverse 172 vs 52; Kalkaska 16 vs 4 and Otsego 28 vs 13.
- C. As of December 1995, 93.6% of the eligible Medicaid recipients in Antrim County were enrolled in Managed Care.

Therefore, the Medicaid eligibles in Antrim County have access to pediatric care equal to if not better than that of the general population.

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State of Michigan**

**POLICY AND METHODS FOR ESTABLISHING PAYMENT RATES
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LEELANAU COUNTY PEDIATRIC ACCESS DATA

The raw data shows more pediatric care providers available to the general population than to the Medicaid eligible population.

Leelanau's Medicaid eligibles have access to pediatric care that is equal to if not better than that of the general population.

- A. Leelanau is a small rural county located along the western lakeshore in Michigan's northern lower peninsula. Leelanau's total population is 16,527. Of that 16,527; 4,690 (28.4%) are children. 937 (5.7%) are Medicaid eligible children. That is 4,690 minus 937 or 3,753 non-Medicaid eligible children to 6 non-Medicaid pediatric providers vs 937 Medicaid eligible children to 5 Medicaid participating pediatric care providers [3,753 to 6 vs 937 to 5]
- B. The two adjoining counties have more participating Medicaid pediatric care providers than non-Medicaid pediatric care providers: Benzie 20 vs 6 and Grand Traverse 127 vs 52.
- C. As of December 1995, 66.0% of the eligible Medicaid recipients in Leelanau County were enrolled in Managed Care.

Therefore, the Medicaid eligibles in Leelanau County have access to pediatric care equal to if not better than that of the general population.

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MACOMB COUNTY PEDIATRIC ACCESS DATA

The raw data shows more pediatric care providers available to the general population than to the Medicaid eligible population.

Macomb's Medicaid eligibles have access to pediatric care that is equal to if not better than that of the general population.

- A. Macomb is a comparatively wealthy urban county with only 6.0% (43,356) of its total population of 717,400 being eligible for Medicaid. Macomb has 191,596 children (26.7%). 23,845 (3.3%) are Medicaid eligible children. That is 191,596 minus 23,845 or 167,751 non-Medicaid eligible children to 379 non-Medicaid pediatric care providers vs 23,845 Medicaid eligible children vs 364 Medicaid pediatric care providers. [167,751 to 379 vs 23,845 to 364]
- B. The four adjoining counties have more participating Medicaid pediatric care providers than non-Medicaid pediatric care providers: Lapeer 58 vs 31, Oakland 732 vs 601, St. Clair 162 vs 55 and Wayne 1,653 vs 833.
- C. As of December 1995, 95.0% of the eligible Medicaid recipients in Macomb County were enrolled in Managed Care.

Therefore, the Medicaid eligibles in Macomb County have access to pediatric care equal to if not better than that of the general population.

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
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POLICY AND METHODS FOR ESTABLISHING PAYMENT RATES
(OTHER THAN INPATIENT HOSPITAL AND LONG TERM CARE FACILITIES)

3. Outpatient Hospital Services

Reimbursement to individual hospitals, including off-campus satellite clinics, for outpatient services is made in accordance with Medicaid's maximum fee screens, the hospital's usual and customary charge, or Medicare's reasonable costs as required by 42 CFR 447.321, whichever is less. Outpatient hospital off-campus satellite clinics located in health manpower shortage areas as designated under Section 332 of the Public Health Services Act 42 CFR U.S.C. 254c, shall be exempt from Medicaid's maximum fee screens.

7/1/91

For hospitals with approved training programs (as described in 404.1 of the HIM-15 Manual), the outpatient portion of educational costs will be reimbursed at time of inpatient settlement.

Non enrolled hospitals located outside the State of Michigan are reimbursed based on a percentage of charge basis for covered services. That percentage is 72%.

The fee for service payment system for outpatient reimbursement includes an adjustor for indigent volume and indirect medical education. The indigent volume portion is based on the hospital's fiscal year and is recalculated each year.

Outpatient indigent volume is:

$$\text{Indigent Volume} = \frac{\text{Outpatient Indigent Charges}}{\text{Total Outpatient Charges}}$$

where outpatient indigent charges equals the sum of outpatient Medicaid, Crippled Children's, and General Assistance Medical Program charges plus outpatient uncompensated care less recoveries and Hill-Burton offset.

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
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The indigent volume portion of the outpatient adjustor is:

$$1 + (\text{Indigent volume} \times .40) + .15$$

Only hospitals with at least \$8,000,000 in indigent charges are eligible for the 0.15 supplement to the adjustor. Off campus satellite clinics eligible for special Medicaid reimbursement as satellite clinics in health manpower shortage areas are not eligible for the 0.15 supplement to the outpatient adjustor.

The indirect medical education portion of the outpatient adjustor is:

$$\left(\left(1 + \frac{\text{Interns \& Residents}}{\text{Beds}} \right)^{.5795} - 1 \right) \times 1.5$$

The outpatient adjustor is the sum of the indigent care portion of the adjustor and the indirect medical education portion. Hospitals not located in Michigan or not enrolled in the Medicaid Program do not receive an adjustor for indigent volume or indirect medical education.

09/21/95 In addition to the regular indigent volume and indirect education adjustments normally included as part of the fee screen payments, eligible hospitals will receive a proportional share from a special pool. In order to expand the total pool from \$64,300,000 to \$117,300,000 an additional \$53,000,000 will be allocated beginning September 21, 1995 through September 30, 1995. A pool of \$25,500,000 will be distributed between November 1, 1994 and August 21, 1995; a second pool of \$25,500,000 will be distributed between August 21, 1995 and September 30, 1995 and a \$13,300,000 pool will be distributed between November 1, 1994 and September 30, 1995. The pool of \$13,300,000 will be increased by \$53,000,000 for the time period of September 21, 1995 through September 30, 1995, for a 1995 fiscal year total of \$66,300,000. The distribution will be allocated based on each eligible hospital's estimated Medicaid outpatient payments for services during state fiscal year 1995. Final settlement of the \$117,300,000 will be done using state fiscal year (FY) 1995 paid claims data.

Eligibility for the special indigent pools are based on outpatient indigent volume data from hospital fiscal years ending between October 1, 1992 and September 30, 1993. These data have been subject to review and appeal and will not be changed.

Hospitals with outpatient indigent volume of at least 45% and outpatient indigent charges in the eligibility year (cost periods ending between 10/01/92 and 09/30/93) of at least \$6,000,000 will be eligible for additional special outpatient indigent payments from the first \$25,500,000 pool.

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TN No. -----

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State Michigan
POLICY AND METHODS FOR ESTABLISHING PAYMENT RATES
(OTHER THAN INPATIENT HOSPITAL AND LONG TERM CARE FACILITIES)

Hospitals with outpatient indigent volume of at least 45% and outpatient indigent charges in the eligibility year (cost periods ending between 10/01/92 and 09/30/93) of at least \$18,000,000 will be eligible for the second \$25,500,000 pool. The first \$25,500,000 pool is effective from November 1, 1994 to August 21, 1995, and the second \$25,500,000 pool is effective from August 21, 1995 to September 30, 1995.

- 09/21/95 To be eligible for the special outpatient indigent pool of \$13,300,000 and the \$53,000,000 increase, hospitals must have an outpatient indigent volume ratio of between 25% and 29.5% and have reported at least \$20,000,000 in charges in the eligibility year (cost periods ending between 10/01/92 and 09/30/93). Estimated payments, based on the best available data, will be made to hospitals as funds are transferred to support the payments. Hospitals eligible for a share of either of the two \$25,500,000 pools are not eligible for the \$13,300,000 pool or the \$53,000,000 increase.

For the purpose of these pools, Medicaid outpatient hospital reimbursement to any single hospital will be allowed to exceed the hospital's Medicaid outpatient charges and Medicaid payment may exceed a hospital's outpatient cost.

- 09/21/95 Exactly \$117,300,000 will be distributed to eligible hospitals based on estimated payments for services provided during state fiscal year 1995 (excluding direct medical education and the special indigent pool payments). The final settlement, using outpatient hospital Medicaid paid claims for eligible hospitals will be performed based on actual state fiscal year 1995 claims paid through December 31, 1996. Claims include Title XIX and Title V/XIX paid claims from provider types 40, 41 and 75. The two \$25,500,000 pools, the \$13,300,000 pool and the \$53,000,000 will all be settled separately from one another.

The special indigent payments made under this provision will be exempt from the outpatient hospital charge and cost limits. The outpatient hospital charge limit is applied in the invoice processing system. Each outpatient claim is reimbursed the lesser of the fee screen based payments or actual charges. Claim line reimbursement in the invoice processing system does not include any special indigent pool payments. Those are made in a separate payment.

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
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The cost limit is applied by each subprovider within a hospital at the time of hospital settlement. The Medicaid outpatient payment by subprovider is limited to a maximum of the Medicaid costs for that subprovider. The cost limit test is applied to all payments including the outpatient share of direct medical education, but excluding any special indigent pool payments.

09/21/95 Aggregate Medicaid reimbursement to Michigan outpatient hospitals (including the special indigent pools) will not be allowed to exceed the federally imposed upper limit for outpatient services provided to Michigan recipients. To account for varying hospital year end dates, this test will be made annually based on hospital fiscal years ending during the State fiscal year (e.g. the test for 1995 will use hospital years ending between October 1, 1994 and September 30, 1995). If the upper limit is exceeded due to the \$53,000,000 increase, the excess due to the \$53,000,000 will be absorbed by the State. If the amount of the upper limit that is exceeded is greater than that covered by the \$53,000,000 the State will absorb the excess due to the \$53,000,000 and then the size of the special indigent pools will be reduced by the remaining amount in excess of the upper limit.

Between October 1, 1994, and March 31, 1995, qualifying children's hospitals will share in an outpatient adjustor pool of \$347,550. These payments will be in addition to the regular indigent column and indirect education adjustments normally included as part of the fee screen based payments. Eligibility for the pool is restricted to freestanding children's hospitals as defined for the purpose of the Medicaid Indigent Volume Report (Medical Assistance Program, Hospital Manual, Chapter VIII, page 19, item#3). Indigent volume charges and children's fiscal years (FY) ending between October 1, 1992 and September 30, 1993. To be eligible a children's hospital must have incurred outpatient indigent volume charges (for hospital fiscal years ending between October 1, 1992 and September 30, 1993) in excess of \$34,000,000. These data have been subject to review and appeal and will not be changed. Each eligible hospital will share in the pool proportionately using the ratio of the hospital's FY 1995 Title XIX estimated outpatient charges to the sum of FY 1995 Title XIX estimated outpatient charges for qualifying hospitals.

The \$347,550 will be paid on or after October 1, 1994, to qualifying children's hospitals. When additional funds of \$347,550 (for a FY 1995 total \$695,100) are appropriated for the time period covering April 1, 1995 through September 30, 1995, an additional installment of \$347,550 will be paid to qualifying children's hospitals. When appropriated, the second installment of \$347,550 will be paid on or after April 1, 1995. These payments will be made based on the best data available.

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TN No. **94-28**

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State Michigan
POLICY AND METHODS FOR ESTABLISHING PAYMENT RATES
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The indigent volume portion of the outpatient adjustor is:

$$1 + (\text{Indigent volume} \times .40) + .15$$

Only hospitals with at least \$8,000,000 in indigent charges are eligible for the 0.15 supplement to the adjustor. Off campus satellite clinics eligible for special Medicaid reimbursement as satellite clinics in health manpower shortage areas are not eligible for the 0.15 supplement to the outpatient adjustor.

The indirect medical education portion of the outpatient adjustor is:

$$\left(\left(1 + \frac{\text{Interns \& Residents}}{\text{Beds}} \right)^{.5795} - 1 \right) \times 1.5$$

The outpatient adjustor is the sum of the indigent care portion of the adjustor and the indirect medical education portion. Hospitals not located in Michigan or not enrolled in the Medicaid Program do not receive an adjustor for indigent volume or indirect medical education.

08/21/95 In addition to the regular indigent volume and indirect education adjustments normally included as part of the fee screen based payments, eligible hospitals will receive a proportional share from a special indigent pool. A total of \$64,300,000 will be distributed in periodic payments between November 1, 1994 and September 30, 1995. The \$64,300,000 will consist of one pool of \$25,500,000, a second pool of \$25,500,000 and a pool of \$13,300,000. Preliminary payments from these three pools will be made to eligible hospitals based on each hospital's estimated Medicaid outpatient payments during state fiscal year 1995. Final settlement of the \$64,300,000 will be done using state fiscal year (FY) 1995 paid claims data.

Eligibility for the special indigent pools are based on outpatient indigent volume data from hospital fiscal years ending between October 1, 1992 and September 30, 1993. These data have been subject to review and appeal and will not be changed.

08/21/95 Hospitals with outpatient indigent volume of at least 45% and outpatient indigent charges in the eligibility year (cost periods ending between 10/01/92 and 09/30/93) of at least \$6,000,000 will be eligible for additional special outpatient indigent payments from the first \$25,500,000 pool. Hospitals with outpatient indigent volume of at least 45% and outpatient indigent charges in the eligibility year (cost periods ending between 10/01/92 and 09/30/93) of at least \$18,000,000 will be eligible for the second \$25,500,000 pool. This first \$25,500,000 pool is effective from November 1, 1994 to August 21, 1995, and the second \$25,500,000 pool is effective from August 21, 1995 to September 30, 1995.

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State Michigan
POLICY AND METHODS FOR ESTABLISHING PAYMENT RATES
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Hospitals with outpatient indigent volume of between 25% and 29.5% and outpatient indigent charges in the eligibility year (cost periods ending between 10/01/92 and 09/30/93) of at least \$20,000,000, will be eligible for additional special outpatient indigent payments from the \$13,300,000 pool. Estimated payments, based on the best available data, will be made to hospitals as funds are transferred to support the payments.

For the purpose of these pools, Medicaid outpatient hospital reimbursement to any single hospital will be allowed to exceed the hospital's Medicaid outpatient charges and Medicaid payment may exceed a hospital's outpatient Medicaid cost.

08/21/95 Exactly \$64,300,000 will be distributed to eligible hospitals based on estimated payments for services provided during state fiscal year 1995 (excluding direct medical education and the special indigent pool payments). The final settlement, using outpatient hospital Medicaid paid claims for eligible hospitals will be performed based on actual state fiscal year 1995 claims paid through December 31, 1996. Claims include Title XIX and Title V/XIX paid claims from provider types 40, 41 and 75. The two \$25,500,000 pools will be settled separately from the \$13,300,000 pool.

The special indigent payments made under this provision will be exempt from the outpatient hospital charge and cost limits. The outpatient hospital charge limit is applied in the invoice processing system. Each outpatient claim is reimbursed the lesser of the fee screen based payments or actual charges. Claim line reimbursement in the invoice processing system does not include any special indigent pool payments. Those are made in a separate payment.

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